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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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IN THE MATTER OF THE FOURTH  
BIENNIAL TRANSMISSION ASSESSMENT  
(BTA) FOR 2006-2015

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Comments of

**Jeff Schlegel**  
**Southwest Energy Efficiency Project (SWEEP)**

on the

**Fourth Biennial Transmission Assessment for 2006-2015**  
**Draft Report**

September 1, 2006

Arizona Corporation Commission  
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## **SWEEP Comments on the Draft Report for the Fourth Biennial Transmission Assessment (BTA) for 2006-2015**

The Southwest Energy Efficiency Project (SWEEP)<sup>1</sup> appreciates the opportunity to provide the following comments and recommendations on the Draft Report of the Fourth Biennial Transmission Assessment for 2006-2015 (BTA Report or Draft Report).

- 1. While the BTA is a valuable assessment, it is a *limited* assessment in that it is focused solely on transmission (by design). In particular, the BTA process and the Draft Report do not appear to consider potential peak demand reductions or energy load reductions from DSM programs, or the potential contributions of other distributed resources, in considering alternatives to or modifications of proposed transmission investments, or in determining total loads and future resource needs (transmission and other). Also, the BTA process does not consider a full range of generation options (conventional, distributed, and/or renewable) in the assessment process.**

SWEEP applauds the efforts of all involved, appreciates Staff's assessments and recommendations across several BTAs, and acknowledges the improvements made since the first BTA, including in this latest BTA process and Draft Report.

However, other issues and resources, in particular, potential reductions in peak demand and energy load from cost-effective DSM programs, rate designs and pricing, and other efforts, do not appear to be considered adequately in the BTA process. Also, generation issues and options, especially distributed resources, are under-addressed. SWEEP understands and acknowledges that the BTA is a transmission process, by design. It is not clear to SWEEP that readers of the BTA Report will understand the limitations of a transmission-only assessment.

The limitations of a transmission-only assessment should be clearly acknowledged in the BTA Report in at least three places: the Executive Summary, the Overview, and the Conclusions.

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<sup>1</sup> SWEEP is a public interest organization dedicated to advancing energy efficiency as a means of promoting both economic prosperity and environmental protection in the six states of Arizona, Colorado, New Mexico, Nevada, Utah, and Wyoming. SWEEP works on state energy legislation, analysis of energy efficiency opportunities and potential, expansion of state and utility energy efficiency programs as well as the design of these programs, building energy codes and appliance standards, and voluntary partnerships with the private sector to advance energy efficiency. SWEEP is collaborating with utilities, state agencies, environmental groups, universities, and energy specialists in the region. SWEEP is funded primarily by foundations, the U.S. Department of Energy, and the U.S. Environmental Protection Agency.

**2. SWEEP recommends that the Commission implement a more complete and comprehensive planning process, one that considers generation, transmission, and demand-side resources.**

For the Commission and Arizona stakeholders to be informed about future needs in Arizona and options to meet those needs, it is essential to implement a complete and comprehensive planning process that includes assessment of generation (conventional, distributed, and renewable), transmission, and demand-side resources.

SWEEP suggests two options for the Commission's consideration:

- The Commission could broaden the BTA process to include assessment of all resources, including demand-side resources, distributed resources, and generation options.
- The Commission could implement a more complete and comprehensive resource planning process, and a BTA process could feed into the more complete and comprehensive planning process.

**3. Several additions should be inserted in the current Draft BTA Report to incrementally move toward addressing the key comments above.**

Specifically, the BTA Report should:

- Summarize how the Report is used to inform decisions at the Commission and the utilities, and in particular, how it is only one piece of a large whole.
- Acknowledge the limitations of a transmission-only assessment (as noted above).
- Describe the degree to which alternatives to transmission investments were considered or assessed in the BTA process, by Staff or by the contributors to the Report and process (including utility assessments).
- Mention (in Section 2.3) the Commission approval of DSM programs at APS and pending review/approval at Southwest Gas, proposed increases in DSM at APS and other utilities, and the recently-increased DSM activities at SRP.
- Assess (or at least acknowledge) the effects of the other two WGA/CDEAC goals (pg. 38), especially the WGA goal to increase energy efficiency 20% by 2020. The current section on CDEAC is almost entirely about one of the three main WGA resolutions (transmission); the other two WGA resolutions are largely ignored, yet they have significant implications for transmission in Arizona and throughout the west.

Thank you for the opportunity to provide these comments on the Draft BTA Report.